



State Board of Equalization

# News Release

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**For Immediate Release**  
**October 4, 2013**

**NR 102-13-G**  
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## **“Zapping” Sales Tax Evasion Protects Funds for State, Local Services** *Legislation Gives Jail Time, Fines to Users of Sales-Hiding Software*

**Sacramento** – Legislation to combat the use of software that robs more than \$200 million each year from state and local governments was signed by Governor Jerry Brown. BOE-sponsored [Assembly Bill \(AB\) 781](#) (Bocanegra) makes it a crime for anyone in California to knowingly purchase, install, or use any automated sales suppression, or “zapper,” software designed to falsify reported sales.

The BOE estimates this type of software costs state and local governments more than \$200 million in sales tax revenue each year, depriving Californians of vital education, public safety, and health care services. Several other states have passed, or proposed, similar bans.

Violators of AB 781 could be sentenced to up to three years in county jail, and be fined as much as \$10,000. They will also be required to pay all illegally withheld taxes, including penalties and interest.

AB 781 will take effect on January 1, 2014.

\* \* \* \* \*

The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects more than \$53.7 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit [www.taxes.ca.gov](http://www.taxes.ca.gov).

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